

AMENDED IN SENATE APRIL 18, 2007

AMENDED IN SENATE MARCH 29, 2007

**SENATE BILL**

**No. 107**

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**Introduced by Senator Alquist**  
**(Coauthors: Senators Kuehl and Ridley-Thomas)**  
(Coauthor: Assembly Member Solorio)

January 18, 2007

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An act to add and repeal Chapter 19 (commencing with Section 50899) of Part 2 of Division 31 of the Health and Safety Code, relating to community development.

LEGISLATIVE COUNSEL'S DIGEST

SB 107, as amended, Alquist. Community development: healthy food choices.

Existing law charges the Department of Housing and Community Development with the administration of various programs that facilitate community development, including the Community Development Block Grant Program. Existing law also requires the State Department of Health Services to develop a "Healthy Food Purchase" pilot program and to establish and implement a "5 A Day-For Better Health" program to promote consumption of fruit and vegetables. This duty will be transferred to the State Department of Public Health on July 1, 2007.

This bill would require the State Department of Public Health, until January 1, 2015, in partnership with other programs and services within the Business, ~~Housing and~~ Transportation *and Housing* Agency, and to the extent funds are appropriated, to establish the "Healthy Food Retail Innovations Fund" to provide residents of underserved communities with retail food markets that would offer high quality fruit, vegetables, and other healthy foods and encourage retail innovation.

The bill would also require the department to provide grants and loans on a competitive basis for land acquisition, business plan development, feasibility studies, refrigeration units, outside technical assistance, and other startup costs. It would also require the department to report to the Legislature annually, as specified, on projects funded through this program.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Chapter 19 (commencing with Section 50899)  
2     is added to Part 2 of Division 31 of the Health and Safety Code,  
3     to read:

4  
5             CHAPTER 19. ACCESS TO HEALTHY FOOD ACT

6  
7     50899. This chapter shall be known and may be cited as the  
8     Access to Healthy Food Act.

9     50899.1. The Legislature hereby finds and declares all of the  
10    following:

11    (a) Increasing access to retail food markets is an important  
12    strategy for improving the nutritional health and economic vitality  
13    of low-income communities by ensuring an accessible supply of  
14    healthy food.

15    (b) Community food assessments conducted in California have  
16    demonstrated that residents of low-income communities often have  
17    inadequate access to high quality fruits, vegetables, and other  
18    healthy food.

19    (c) California has the second highest rate of overweight and  
20    low-income children in the nation.

21    (d) According to the Centers for Disease Control and Prevention,  
22    over 20 percent of California adults are overweight compared to  
23    1991 when less than 10 percent of California adults were  
24    overweight.

25    (e) The growing epidemic of overweight individuals is due to  
26    poor diet and physical inactivity, putting growing numbers of  
27    Californians at risk for type 2 diabetes, hypertension, heart disease,  
28    and cancer.

1 (f) Diseases related to poor nutrition and physical inactivity are  
2 the second leading cause of preventable deaths in the United States.  
3 These diseases account for 28 percent of preventable deaths each  
4 year, which is more than AIDS, violence, car crashes, alcohol, and  
5 drugs combined.

6 (g) Obesity costs California an estimated \$28 billion a year in  
7 medical costs and lost productivity.

8 (h) While individuals make choices about what they eat, these  
9 choices are affected by the availability of food in their community.  
10 Sales of fruit and vegetables can be increased by improving  
11 community access to retail grocery stores, helping corner stores  
12 and other small stores sell fruit and vegetables, starting and  
13 sustaining farmers' markets, and other innovative means to improve  
14 community access to places for purchasing fruit, vegetables, and  
15 other healthy foods. Studies have shown that access to healthy  
16 food increases fruit and vegetable consumption.

17 (i) Retail grocery stores are important economic anchors in  
18 communities, generating jobs, recycling money back into the local  
19 economy, and creating opportunities for other small and large  
20 businesses.

21 (j) Improving the availability, quality, and prices of food in  
22 existing small stores can improve local economic development by  
23 building upon existing community resources, and strengthening  
24 relationships between local merchants and residents.

25 (k) Farmers' markets can help support farmers and serve as  
26 small business incubators where local residents can sell products  
27 such as baked goods or nonfood items.

28 50899.2. For purposes of this chapter, the following definitions  
29 apply:

30 (a) "Department" means the State Department of Public Health.

31 (b) "Retail food market" means a for-profit or not-for-profit  
32 retailer that will increase access to high quality fruit, vegetables,  
33 and other healthy food.

34 (c) "Underserved community" means a community in which  
35 existing retail food markets are inadequate to serve the healthy  
36 food needs of residents and that meets one of the following criteria:

37 (1) In metropolitan statistical areas, the median family income  
38 is less than 80 percent of the area median family income.

1 (2) In nonmetropolitan statistical areas, the median family  
2 income is less than 80 percent of the statewide median family  
3 income.

4 (3) Is adjacent to a census tract that meets the income criteria  
5 described in paragraph (1) or (2).

6 50899.3. (a) To the extent funds are available, the department  
7 shall establish, in partnership with other related programs and  
8 services within the Business, ~~Housing and Transportation~~  
9 *Transportation and Housing* Agency, a grant and loan program  
10 for the purpose of providing residents of underserved communities  
11 with retail food markets that will offer high quality fruit and  
12 vegetables. Eligible projects include, but are not limited to, projects  
13 to encourage development ~~of or revitalize or revitalization of~~ retail  
14 grocery stores or farmers' markets, ~~to improve or increase healthy~~  
15 food options available at existing ~~corner stores or~~ small markets,  
16 ~~or other create or support~~ retail market or fruit and vegetable  
17 distribution innovations that meet the intent of this section. A  
18 restaurant is not an eligible project for purposes of this section.  
19 The department shall provide grants and loans on a competitive,  
20 one-time basis, for acquisition of land, refrigeration units, and  
21 other equipment, construction, workforce development and training  
22 expenses, outside technical assistance, ~~feasibility~~ *feasibility* studies,  
23 business plan costs, and the rehabilitation of land improvements.  
24 Grants and loans shall not be used to pay operating costs.  
25 Feasibility studies shall be eligible for funding only if there is  
26 evidence that the study will gather important new information and  
27 is likely to result in a retail food market or fruit and vegetable  
28 innovation project. To the extent possible, the department, in  
29 partnership with other related programs and services within the  
30 Business, ~~Housing and Transportation~~ *Transportation and Housing*  
31 Agency, and the California Supplemental Food Program for  
32 Women, Infants, and Children (WIC program) shall provide  
33 technical assistance to grant and loan recipients.

34 (b) An applicant for the grants and loans under this chapter may  
35 be a for-profit business enterprise, including, but not limited to, a  
36 corporation, limited liability company, sole proprietor, cooperative,  
37 or partnership; a nonprofit organization; or governmental entity.

38 (c) To be eligible for a grant or loan under this chapter, an  
39 applicant shall serve an underserved community in which the  
40 proposed retail food or fruit and vegetable innovation market

1 project will improve, increase, or preserve retail access to high  
2 quality fruit, vegetables, and other healthy food for low-income  
3 residents of the community. Applicants shall demonstrate that the  
4 community supports the proposed project, that the project will  
5 have a positive economic impact on the surrounding community,  
6 that the project is likely to be successful and economically  
7 self-sustaining, and any other criteria as the department may  
8 determine and that are consistent with the purposes of this chapter.  
9 residents of the community, and shall meet all of the criteria listed  
10 in subdivision (d).

11 (d) The department, in partnership with other related programs  
12 and services within the Business, ~~Housing and Transportation~~  
13 *Transportation and Housing* Agency, shall rate and rank applicants  
14 by the following priority-ordered criteria:

15 (1) The income level of the community and the degree to which  
16 the community is underserved by retail food markets.

17 (2) The degree to which the project will improve, increase, or  
18 preserve retail access to high quality, culturally appropriate, fruit,  
19 vegetables, and other healthy food for the low-income residents  
20 of the underserved community.

21 (3) The capacity of the applicant to successfully complete the  
22 project and the likelihood that the project will be economically  
23 self-sustaining.

24 (4) The degree to which the underserved community supports  
25 the project. This may be demonstrated through letters of support  
26 from local community-based organizations, faith-based  
27 organizations, civic organizations, or local community members.

28 (5) The degree to which the project will have a positive  
29 economic impact on the underserved community. Applicants who  
30 demonstrate a commitment to strong local hiring practices shall  
31 receive additional consideration.

32 (6) Other criteria the department may determine and that are  
33 consistent with the purposes of this chapter.

34 (e) The funded retail food market should primarily sell groceries,  
35 produce, meat, baked goods, and dairy products to the ~~widest~~  
36 ~~possible group of consumers~~ *general public*. The department shall  
37 establish alternate requirements applicable to farmers' markets  
38 and to other grant *or loan* recipients that primarily sell produce.

39 (f) It is the Legislature's intent that funds described in this  
40 section be used to leverage other funding including, but not limited

1 to, workforce development funds, New Markets Tax Credits,  
2 incentives available to enterprise zones, and funding from financial  
3 institutions under the federal Community Reinvestment Act (12  
4 U.S.C. Sec. 2901).

5 (g) The department shall report to the Legislature annually on  
6 any projects funded through this program by describing outcome  
7 data, including fruit and vegetable sales data, and describing the  
8 most promising healthy food retailing innovations. The department  
9 may fulfill this requirement by including this information in any  
10 other annual report that the department provides to the Legislature.

11 50899.4. (a) There is hereby established in the State Treasury  
12 the Healthy Food Retail Innovations Fund, into which funds  
13 appropriated by the Legislature shall be deposited and made  
14 available to the department for the purposes of this chapter.

15 (b) The department shall implement this chapter only to the  
16 extent that funds are appropriated for that purpose. The department  
17 may contract with a qualified third-party, nonprofit organization  
18 to fulfill the obligations described in subdivisions ~~(b)~~ (d) to (g),  
19 inclusive, of Section 50899.3.

20 50899.5. This chapter shall remain in effect only until January  
21 1, 2015, and as of that date is repealed, unless a later enacted  
22 statute, that is enacted before January 1, 2015, deletes or extends  
23 that date.